



February 1, 2022

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Notice Concerning Revision of Full Year Financial Results Forecasts

Osaki Electric Co., Ltd. (Tokyo, hereinafter “Osaki” or “the Company”), hereby announces the consolidated financial forecasts for the fiscal year ending March 31, 2022 (hereafter “fiscal year 2021”). The Company forewent the previous forecasts on November 2, 2021 (please refer to “Notice Concerning Difference between First Half Forecasts and Actual Financial Results, and Revision of Full Year Financial Results Forecasts”). The Company also announces non-consolidated financial forecasts for fiscal year 2021.

Notes

1. Revision of consolidated financial results forecasts for the fiscal year 2021 (from April 1, 2021 to March 31, 2022)

	Net Sales (Million yen)	Operating Income (Million yen)	Ordinary Income (Million yen)	Net Income Attributable to Owners of Parent (Million yen)	Net Income Attributable to Owners of Parent per Share (Yen)
Previous Forecasts (A)	—	—	—	—	—
Revised Forecasts (B)	75,000	700	600	(900)	(18.33)
Change (B-A)	—	—	—	—	
Rate of Change (%)	—	—	—	—	
(Reference) Results of the previous fiscal year ended March 31, 2021	76,255	2,684	2,888	482	9.84

Reason for Revision

Osaki announced its decision to forego the previous consolidated financial forecasts for fiscal year 2021 on November 2, 2021, because of the difficulty to reasonably accumulate the degree of financial impact brought by electronic component shortages used in smart meters. The Company today, announces the revisions made to the financial forecasts upon reasonable calculation based on information available at the moment.

Osaki expects that the worldwide shortage of electronic component used in smart meters will prolong into the fourth quarter of fiscal year 2021, affecting our worldwide businesses. In Japan, sales of energy management system and smart locks for rental properties are expected to remain sluggish due to impact

from the spread of COVID-19 virus. In addition, rise of component prices worldwide is expected to lower our profitability. With regards to recording of an extraordinary gain from sale of a subsidiary in the amount of 1.68 billion yen, which was included in the initial forecasts, the Company expects to record the profit in the next fiscal year.

Under these circumstances, consolidated sales and profits for fiscal year 2021 are expected to be lower than the initial forecasts announced on May 11, 2021 as shown in the table below.

(Reference) Differences between Initial Forecasts and Revised Forecasts for the fiscal year 2021

	Net Sales (Million yen)	Operating Income (Million yen)	Ordinary Income (Million yen)	Net Income Attributable to Owners of Parent (Million yen)	Net Income Attributable to Owners of Parent per Share (Yen)
Initial Forecast (Announced on May 11, 2021) (A)	83,000	3,500	3,300	3,000	61.16
Revised Forecasts (B)	75,000	700	600	(900)	(18.33)
Change (B-A)	(8,000)	(2,800)	(2,700)	(3,900)	
Rate of Change (%)	(9.6)	(80.0)	(81.8)	—	

The Company is taking rigorous measures to improve profitability by strengthening business portfolio management to recover its financial performance in next fiscal year. Details of measures and strategies will be announced in May, 2022, along with announcement of the fiscal year 2021 financial results and the Mid-term Management Plan.

2. Concerning non-consolidated financial forecasts for the fiscal year 2021

Osaki has not disclosed non-consolidated financial forecasts for fiscal year 2021. However, since the revisions to the non-consolidated financial forecasts are significant, the Company has decided to disclose the degree of revisions made to the non-consolidated financial forecasts for fiscal year 2021.

Non-consolidated financial results forecast for the fiscal year 2021
(from April 1, 2021 to March 31, 2022)

	Net Sales (Million yen)	Operating Income (Million yen)	Ordinary Income (Million yen)	Net Income (Million yen)	Net Income per Share (Yen)
Results of the previous fiscal year ended March 31, 2021 (A)	25,610	333	1,093	747	15.24
Fiscal year 2021 forecasts (B)	22,700	(1,000)	(100)	(150)	(3.05)
Change (B-A)	(2,910)	(1,333)	(1,193)	(897)	
Rate of Change (%)	(11.4)	—	—	—	

- The forecast figures shown in this document are based on information available at the time of preparation and actual figures may differ from the forecast figures due to various factors.

End of Notice